A 67.72
6/37 COPY 1

FOREIGN AGRICULTURE

August 19, 1968

4831

U.S. Farm Exports in 1967-68

LIBRARY
AUG 30 1968
DOCUMENT

Foreign
Agricultural
Service
U.S. DEPARTMENT
OF AGRICULTURE

FOREIGN AGRICULTURE

VOL. VI • NO. 34 • AUGUST 19, 1968

In this issue:

2 U.S. Farm Exports Add Up to $6.3 Billion in 1967-68 By Robert L. Tontz and Dewain H. Rahe

5 Canadian Breeding Cattle To Help Rebuild British Herds

6 The EEC Feed Additive Regulations Spelled Out

7 Floods Hit India-East Pakistan Jute Crops

7 Drought Damages Agricultural Prospects in Chile

8 Agriculture Changes in the Ivory Coast

10 Senegal's Peanut Crop Is Smaller Than Expected

10 German Grain Crops Good, But Imports Stay High

11 The EEC Still Has a Nonunified Dairy Market By David R. Strobel

12 Putting Action Into U.S. Holstein Export Programs

13 Swedish Smorgasbord Goes American

13 U.S. Potatoes Make a Hit in Uruguayan Marketplaces

14 Crops and Markets Shorts

Orville L. Freeman, Secretary of Agriculture
Dorothy H. Jacobson, Assistant Secretary for International Affairs
Raymond A. Ioanes, Administrator, Foreign Agricultural Service

Editorial Staff:

Editor: Alice Fray Nelson; Associate Editors: Janet F. Beal and Elma E. Van Horn; Assistant Editors: Beverly J. Horsley, Faith N. Payne, Mary A. Nicolini, Marcia Sutherland, Mary C. LaBarre.

Advisory Board:

W. A. Minor, Chairman; Horace J. Davis, Anthony R. DeFelice, Kenneth K. Krogh, Robert O. Link, Kenneth W. Olson, George A. Parks, Donald M. Rubel, Dorothy R. Rush, Raymond E. Vickery, Quentin M. West.

Use of funds for printing *Foreign Agriculture* has been approved by the Director of the Bureau of the Budget (June 15, 1964). Yearly subscription rate, $7.00 domestic, $9.25 foreign; single copies 20 cents. Order from Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.

Contents of this magazine may be reprinted freely. Use of commercial and trade names does not imply approval or constitute endorsement by USDA or Foreign Agricultural Service.

U.S Farm Expordd

Value of U.S. agricultural exports in fiscal year 1968 was third highest on record. While value was down 7 percent from last year's alltime high, volume was down only 2 percent.

By ROBERT L. TONTZ
DEWAIN H. RAHE
Foreign Development and Trade Division
Economic Research Service

Fiscal year 1968 marked the first time in 5 years that U.S. agricultural exports were lower than the year before. Valued at $6.31 billion, they compared with exports worth $6.77 billion in 1966-67 and $6.68 billion in 1965-66. However, they were 4 percent above the 1964-65 total and 16 percent above the 1961-65 average, thus maintaining the upward trend of agricultural exports in recent years.

The export value of each major commodity group was lower in 1967-68 than in the previous year. Declines ranged from slight for oilseeds and products, grains and preparations, and vegetables to substantial for animals and animal products, cotton, tobacco, and fruits. Individual commodities for which export quantities rose to new record levels in 1967-68 were rice, soybeans, and oilcake and meal.

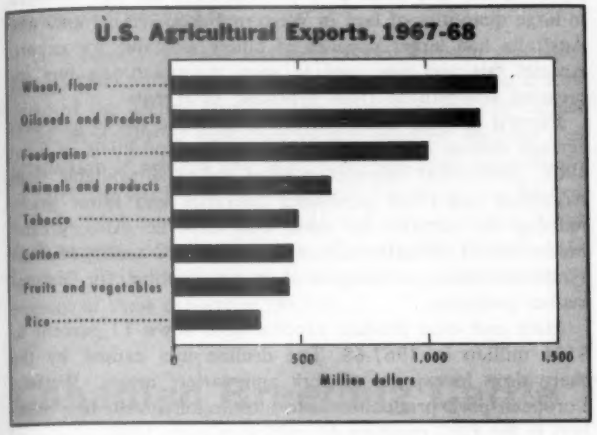
A considerable part of the overall decline in value of agricultural exports in 1967-68 was due to lower prices. While value of the exports fell 7 percent, quantity or volume declined only 2 percent. Thus lower prices accounted for two-thirds of the total value decline.

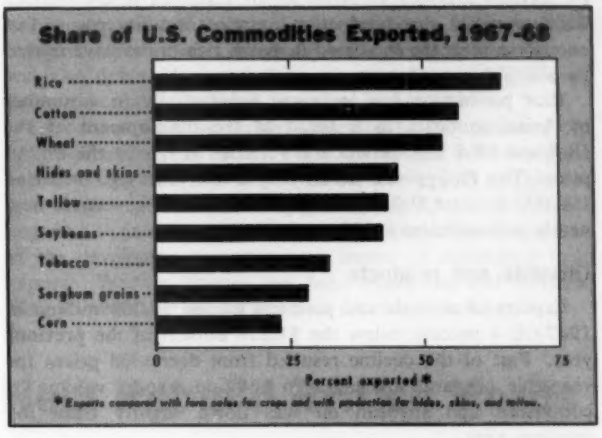
Commercial export sales of farm products in 1967-68 totaled an estimated $4.8 billion, down from $5.2 billion in 1966-67. This level of commercial sales was the third highest on record and 26 percent above the 1961-65 average. A significant share of the decrease in dollar exports was brought about by the substantial decline in prices for many commodities. Nearly all commodities contributed to the decline except rice, for which exports increased 15 percent in 1968.

The total of commercial sales plus barter exports in 1967-68 amounted to $5.1 billion, compared with $5.5 billion in 1966-67. Barter exports may be considered as commercial, since nearly all barter transactions are for overseas purchase for the Department of Defense and for foreign goods under Agency for International Development programs.

Exports under government Food-for-Peace programs (Public Law 480 exports) totaled an estimated $1.5 billion in 1967-68, down slightly from the previous year. Government exports of wheat and flour increased while those of feedgrains and cotton declined. Exports under government programs

...dd Up to $6.3 Billion in 1967-68





accounted for 24 percent of total 1967-68 agricultural exports —about the same as the previous year.

Conditions in customer countries

A number of international developments affected the level of U.S. agricultural exports in 1967-68.

One of these—the war between Israel and several Arab nations in the late spring of 1967—sharply reduced U.S. exports to some of the Arab nations. The impact of another development—the devaluation of the British pound in November 1967 and subsequent devaluations by several of Britain's trading partners, territories, and dependencies—cannot be measured precisely. However, U.S. agricultural exports to the United Kingdom were 12 percent lower in fiscal 1968.

Economic activity in many customer countries was at a low level at the beginning of the 1967-68 year. In Japan, however, economic activity improved during the year. Also, in most countries of Europe's Common Market, economic activity improved in 1967-68. Italy's economic growth—especially in the industrial sector—continued at the rapid pace of recent years. However, the Belgian economy was sluggish and did not begin to improve until 1968. Germany's gross national product declined slightly in 1967 but showed improvement in the first half of 1968.

The demand for many U.S. agricultural products in 1967-68 was reduced by improved crops in Western Europe and many other major producing countries. Production of grains and livestock products was up substantially in Western Europe, especially in the EEC. The high price levels maintained as part of the EEC's Common Agricultural Policy have encouraged increased production of grains, dairy products, eggs, and poultry meat. Production of dairy products has exceeded demand to such an extent that surpluses have appeared.

Grains and preparations

U.S. *wheat and flour* exports totaled 752 million bushels in 1967-68, up slightly from the year before. These exports accounted for about 38 percent of world wheat and flour exports. The value of wheat exports averaged $1.70 per bushel in 1967-68 compared with $1.77 in 1966-67.

Approximately three-fifths of U.S. wheat and flour exports were shipped under government programs, compared with 49 percent that moved under such programs the year before. Principal recipient countries for program exports were India, Pakistan, Brazil, and South Korea. Top dollar markets were Japan, the EEC, and the United Kingdom.

U.S. wheat exports in 1967-68 were limited by larger crops in both major importing and major exporting countries. Communist countries took considerably less wheat from the Free World than in the previous year.

U.S. exports of wheat flour declined considerably, dropping 35 percent to $85 million in 1967-68 from $131 million in 1966-67. The decrease resulted from the sharp reduction in exports to Jordan, Morocco, Egypt, and Sudan. The value of exports to these countries dropped from $41 million in 1966-67 to $4 million in 1967-68.

Exports of U.S. *feedgrains* excluding products in 1967-68 totaled 19.5 million metric tons, down from 20.9 million tons in 1966-67. Because of lower prices, the decline in value was greater—from $1,152 million in fiscal year 1967 to $1,000 million in fiscal year 1968. Principal markets for U.S. feedgrains included Japan and the EEC countries—particularly the Netherlands, Germany, and Italy.

Most of the decline in feedgrain exports resulted from smaller exports of barley and grain sorghums. Grain sorghum exports of 173 million bushels in 1967-68 were over 100 million bushels smaller than in the previous year when the United States exported substantial quantities to India because of the severe drought; this year grain production increased in India. The export value of corn averaged $1.30 a bushel in 1967-68 compared with $1.47 a bushel in 1966-67.

The decline in U.S. feedgrain exports in fiscal year 1968 reflected a substantial improvement in world production. In the EEC, feedgrain production was up 15 percent in 1967. U.S. feedgrain exports declined to the developing countries, such as India and Pakistan, while they increased to countries of Western Europe.

U.S. *rice* exports in 1967-68 totaled a record 41.4 million

bags of milled rice compared with 39.5 million in 1966-67. The increase in value was greater because of higher prices. U.S. rice exports increased to South Korea, Indonesia, Iran, Hong Kong, EEC, and South Africa—gains somewhat offset by declines to South Vietnam, Japan, India, Peru, and Ghana. Because world rice production has not been increasing fast enough to meet the increased demand, rice prices have moved up sharply in recent years.

Rice production has increased substantially in a number of Asian countries as a result of the development of the IR-8 and IR-5 high-production varieties of rice in the Philippines. The Philippines, which only a few years ago imported 100,000 to over 500,000 metric tons of rice a year, is now nearly self-sufficient in this grain.

Oilseeds and products

Exports of oilseeds and products totaled $1,203 million in 1967-68, 4 percent below the $1,258 million of the previous year. Part of the decline resulted from decreased prices for vegetable oils and soybeans. In addition, export volume of cottonseed and soybean oil was down slightly from the previous year.

Soybean exports rose to a record 265 million bushels, compared with 252 million bushels the year before. Foreign demand for U.S. soybeans has increased sharply in recent years because of the rapid expansion of the livestock industry in Western Europe and Japan, which has increased requirements for protein feed. New crushing facilities have also been a factor in increased soybean exports, particularly to Japan, Netherlands, and Spain. In recent years, U.S. soybeans and oilcake and meal have accounted for large portions of protein supplements used in the mixed feed industries of Japan and the EEC. The relatively high price of feedgrains in the EEC has encouraged the substitution of protein meal and other lower price ingredients in the mixed feeds in EEC countries. However, competition is strong from peanut meal and fish meal in the meals sector and sunflowerseed oil and fish oil in the oils sector, slowing the rate of growth in U.S. soybean exports.

U.S. exports of *cottonseed and soybean oils* totaled 1,063 million pounds in 1967-68 compared with 1,128 million pounds for 1966-67. Increased competition from sunflowerseed oil and fish oil and increased production of animal fats have weakened the foreign demand for U.S. vegetable oils. In addition, many countries encouraged the importation of soybeans for meal.

U.S. exports of *oilcake and meal* totaled 3.1 million short tons in 1967-68, up from the 2.7 million tons in 1966-67. In addition to demand being strong for protein meals in the mixed feed industries in both Western Europe and Japan, surplus oil has encouraged imports of protein meal in some countries in lieu of the oilseeds in the past year. The EEC accounted for approximately two-thirds of total U.S. exports of oilcake and meal.

Animals and animal products

Exports of animals and animal products in 1967-68 were 13 percent below the value of such exports a year earlier, the result of declines in most commodity groups.

For *dairy products*, a 5-percent decrease from 1966-67 resulted mainly from a sharp decline in exports of condensed and evaporated milk.

The value of exports of *animal fats, oils, and greases* was 18 percent below the $191 million in fiscal 1967, although the quantity exported surpassed exports in 1967 by 2 percent. Increased production in such major markets as the EEC and increased U.S. production forced prices down from year-earlier levels. Expanded pork production in the EEC resulted in large quantities of lard in Western Europe. Argentina and Australia had larger supplies of tallow available for export. Animal fats and oils used in soap manufacturing met increasing competition from synthetic detergents.

Exports of *hides and skins* fell 24 percent, the largest percentage decline among animals and animal products in fiscal 1968. Substantial increases in hides and skins available from Argentina and other producing countries and lower prices reduced the demand for these U.S. exports. Also, greater production of synthetic leathers and improved quality of these synthetics have encouraged their substitution for natural leather products.

Meat and meat product exports were down 13 percent to $104 million in 1967-68. The decline was caused by the sharp drop in exports of pork and variety meats. Western European pork production rose substantially, with hog numbers in the EEC reaching 41 million in early 1968.

Poultry exports declined 8 percent to $59 million in 1967-68. Exports of poultry to the EEC dropped substantially as a result of the Community's Common Agricultural Policy. The sharp rise in EEC production and subsequent subsidized exports to neighboring West European countries provided strong competition for the United States. In an effort to retain its share of the poultry market in Switzerland, the United States has recently begun to provide subsidies on exports of poultry products to that country.

Tobacco

U.S. exports of unmanufactured tobacco fell to 565 million pounds in 1967-68 from the near-record of 627 million pounds in 1966-67. Exports of flue-cured and burley tobaccos declined substantially. Several factors have resulted in the decline, including increased production and exports of lower priced tobaccos from other countries (including India, Greece, and Turkey), increased use of filter tips on cigarettes, more complete utilization of stems and waste, and higher U.S. prices.

Nevertheless, U.S. exports increased to the Far East destinations of Hong Kong, Malaysia, and Taiwan because of increasing sales and improving quality of cigarettes. Exports were also higher than the year before to Norway, Netherlands, the United Kingdom, and Italy.

Cotton

U.S. exports of cotton totaled 4.1 million bales in fiscal year 1967-68 compared with 4.6 million bales in 1966-67. The limited supplies of medium staple cotton available for export from the United States were a factor in the reduction.

The world demand for U.S. cotton in fiscal year 1968 was reduced by larger foreign cotton production, decreased textile production in some important consuming countries in Western Europe, and larger stocks at the beginning of the season in Japan. In addition, many textile manufacturing firms continued to increase the use of synthetic products in lieu of cotton in many kinds of apparel and other textile products. Overall, the use of manmade products in the foreign Free World totaled about 7,862.6 million pounds in 1967, up from 7,380.7 million in 1966.

Principal markets for U.S. cotton in 1967-68 were the EEC, Japan, India, Hong Kong, South Korea, Taiwan, and Canada. U.S. cotton has accounted for more than one-third of Free World cotton trade in recent years.

Fruits and vegetables

U.S. exports of *fruits and preparations* in fiscal year 1968 totaled $287 million, down from $320 million the year before. Most of the decline resulted from smaller exports of canned fruits, especially of fruit cocktail and peaches. Because U.S. production of peaches and other fruits was down substantially in 1967, the availability of these fruits for export was limited. Exports of dried fruits increased, especially of raisins. Fresh fruit exports decreased slightly. Canada, the largest outlet for U.S. fresh fruit exports, accounted for approximately 51 percent of these exports in 1967-68.

Exports of U.S. *vegetables and preparations* totaled $169 million in 1967-68, down slightly from the previous year. An increase in exports of fresh vegetables and dehydrated vegetables was about offset by declines in canned vegetables and dry beans and peas. A much smaller production of dry edible peas reduced the supplies of dry beans and peas available for export, even though domestic dry pea consumption was also down. However, more exports of dry beans moved under government-financed programs in 1967-68.

Exports of fresh vegetables increased to $68 million from $60 million the year before. Fresh lettuce and potato exports accounted for the increase. Canada, the largest market for U.S. fresh vegetables, took approximately 85 percent of the exports. Vegetable production has increased sharply in many of the developing countries as a means of expanding their exports. Western Europe has been expanding and modernizing its vegetable production and canning industry.

Canadian Breeding Cattle To Help Rebuild British Herds

Two developments in Canada's trade with Europe in cattle breeding stock were announced in Canada last month—the largest single shipment of pedigreed cattle ever exported from that country to the United Kingdom and the issuance of permits for the importation of 238 head of breeding cattle from continental Europe this fall.

The export shipment was made up of 647 head of Holstein-Friesians—633 heifers and 14 bulls. The cattle were purchased by nine Cheshire breeders and dairy farmers to replace stock lost during the United Kingdom's recent outbreak of foot-and-mouth disease. In addition to carrying a potential for superior production, the cattle exported were completely brucellosis free.

Most of the shipment was consigned to eight farms to form the basis of breeding programs that use both the imported bulls and imported semen from selected proven sires in Canada. The Holstein-Friesian Association of Canada helped in making arrangements for the sale by introducing the British purchasers to Canadian breeders and inspecting the cattle before shipment.

It is reported also that extensive cattle crossbreeding experiments are being conducted in Britain in which both domestic breeds and imported stock are used. Canadian Holstein bulls have been used in the Dairy Progeny Testing Scheme. And the British Milk Marketing Board has initiated a trial to determine the merits of the Holstein cattle in beef production; Canadian Holsteins and British Friesian crosses are being reared alongside British Friesians.

In announcing the issuing of permits for European cattle, Agriculture Minister H. A. Olson said, "The purpose of importing cattle from continental Europe is to build up breeding herds of these animals in Canada that will be self-sustaining." Such herds could continue to produce seed stock for the Canadian livestock industry should the source of breeding animals be cut off in Europe by such a circumstance as a serious outbreak of foot-and-mouth disease. The importations were begun in 1965 to give Canadian breeders access to previously unavailable sources of cattle bloodlines that could add to the efficiency of the domestic livestock industry.

Of the 238 head of European cattle being permitted to enter Canada this fall, seven will go to breeders in Nova Scotia, two to New Brunswick, 17 to Quebec, 44 to Ontario, 15 to Manitoba, 54 to Saskatchewan, 72 to Alberta, 17 to British Columbia, and 10 to the Canada Department of Agriculture. The cattle will come from both France and Switzerland and will first be quarantined in the country of origin. They will then be held during the winter at the Canada Department of Agriculture's maximum security quarantine station at Grosse Ile, in the St. Lawrence River.

As in the past years, the demand for import permits far exceeded available space at the Grosse Ile station. This year 316 breeders requested permits for 2,000 head. To speed up the establishment of breeding herds, applications were considered for the importation of more than one animal by an individual breeder. The 1968 maximum is six animals per applicant.

Each prospective importer was required to submit an application in which he clearly described his proposed breeding program. All permit applications were reviewed by a committee composed of animal scientists and breeders, and priorities were assigned on the basis of the breeding program outlined by the applicant. Applicants falling in the highest priority groupings received a permit for six cattle. Those with lesser priorities received decreasing numbers of cattle in relation to the priority rating. Consideration was next given to those applicants with lower priorities who have been previous importers and maintained their cattle in their own name for breeding purposes. Each of these received a permit to import one animal.

The quarantine period on Grosse Ile is for a minimum of 90 days, but because of the exhaustive testing required and ice conditions in the St. Lawrence River at that time of year it is not expected that the cattle will be released from the island until next April. Importers are required to pay for the care and feeding of the livestock, both at the Brest, France, quarantine station and on Grosse Ile, as well as charges for special tests required on these animals. In addition, importers will pay a quarantine charge. These charges are such that the program, including amortization of costs on capital expenditures, is self-liquidating.

—Based on dispatches from
Office of U.S. Agricultural Attaché, Ottawa

The EEC Feed Additive Regulations Spelled Out

Up for approval by the Council of the European Communities is an EEC Commission proposal concerning additives in animal feeds. This proposal—which was sent to the Council in June of last year—is the result of years of collaboration between the Commission and government experts from the member countries. Trade and consumer organizations associated at Community level were also consulted.

The Commission's proposal assumes that any increase in livestock productivity will be largely dependent on suitable high-grade feeds. This is being increasingly accomplished by additives in livestock feeding. The following is the substance of the proposal:

(1) Feeds in the Six will not be allowed to contain additives that do not conform qualitatively and—where appropriate—quantitatively to Community standards. Permitted substances and the conditions for their use are listed. Among the substances not listed—and therefore prohibited—are those that act as hormones or antihormones.

(2) The permitted substances should not be given to animals unless mixed with their feed.

(3) If feeds containing additives meet specified standards, they should not be subjected to any trade restrictions within the Community on grounds of additive content.

(4) All substances which, when mixed with feeds, modify the quality of the feeds and of livestock products are to be considered additives. They may be accessory food factors that can be expected to have a favorable effect on growth or livestock production; they may also be auxiliary agents that facilitate the manufacture, preservation, and assimilation of feeds; or they may be prophylactically active substances that counteract certain pathological phenomena.

(5) "Additives" means only substances that are knowingly and intentionally added to feeds. In the future, use of the following groups of additives will be permitted: Amino acids, some antibiotics, antioxidants, flavoring and aperitive agents, some coccidiostatic and other drugs, emulsifiers, certain coloring matters and pigments, several trace elements and stabilizers, vitamins, provitamins, and analogous substances.

Member states are to be allowed—though for the most part only during the transition period which ends in 1970—to authorize other additives within their own jurisdiction. But they are expressly prohibited from authorizing substances that act as hormones or antihormones and those listed as an annex to the directive (e.g., arsenic, antimony, fluorine, selenium). Certain margins are allowed to take account of the national occurrence of these substances in feeds.

(6) Additives are permitted provided they conform to the following principles:

- They must improve the quality of feeds into which they are incorporated and of resultant livestock products.
- The concentrations of permitted additives in feeds must not be high enough to be injurious to animal or human health.
- They must not harm the interests of the consumer by making any change in the nature of livestock products.
- When mixed in feeds, they must be amenable to qualitative and quantitative analysis.
- In the case of medicinal additives, the content in feeds must not amount to prophylactic or therapeutic doses. For example, only nutritional doses of antibiotics should be mixed with feeds. This rule does not apply, of course, to coccidiostatic drugs and a few other substances whose exclusively medicinal nature is beyond doubt. Use of these agents as additives is authorized in practically every member country because they are considered indispensable for poultry farming. However, these substances are listed only temporarily in the directive. They are to be dealt with later in a directive on the active substances in medicated feed.
- There must be no stipulation that, owing to possible effects on human or animal health, the additives may only be administered under medical or veterinary surveillance.

These principles are also to apply if any changes are made in the annexes to the directive or if certain member states exercise their right to authorize the use of other additives within their national frontiers.

(7) A special rule applies to supplementary feeds (concentrates which, because of their composition, must be mixed with other feeds to provide an adequate total daily ration for livestock). Provision is made for measures to guarantee that animals do not receive in their daily ration more than the permitted maximum quantities of specified additives, such as antibiotic or coccidiostatic drugs.

(8) The proposed directive contains a clause permitting member states to postpone the authorization of particular additives or to reduce stipulated maximum contents in their territories for a period of up to 1 year, should there be any risk to animal or human health.

(9) The member states are to be made liable for ensuring official control, at least by spot checks, of the observance of rules made pursuant to the directive. Community sampling procedures and methods of analysis are to be employed for this purpose. The responsibility for establishing such procedures and methods will be the Commission's. It is proposed to apply the same procedure as that governing the basic materials in feeds—through the Standing Committee on Animal Feeds.

(10) Member states are to enact legislation giving effect to the directives within 2 years of their being issued.

The Commission is also preparing definitions for feedstuffs. Corresponding regulations on compound feedstuffs and provisions regarding the characteristics of simple and compound feedstuffs are planned.

—COMMON MARKET FARM REPORT
European Community Information Service

EEC Raises Sunflower Oil Levy

The European Economic Community on July 29 increased its import levy on sunflower oil from the Soviet Union, Bulgaria, and Romania. The levy—now $35 per metric ton—also applies to sunflower oil from Yugoslavia and Hungary, which heretofore had been charged no levy on their oil.

The first EEC levy of $17 per ton, effective on September 19, 1967, was raised to $22 per ton on April 9, 1968. The levy was intended to offset the abnormal spread between the low price of sunflower oil exports from Communist countries and the price of their sunflowerseed. Since sunflower oil prices continued to decline while sunflowerseed prices showed little if any change, the levy was further increased, in accordance with the EEC's basic fats and oils regulations, as a protective measure for the Community's processing industry.

Floods Hit India-East Pakistan Jute Crops

Heavy rains during July and resultant flooding in India and East Pakistan are expected to reduce the current jute crops in both countries.

The inadequate rains during May, which delayed planting of India's 1968-69 jute crop, have been followed by severe monsoon rains and floods in Assam and West Bengal. The early sown crop is not likely to be badly affected, but floods have reportedly damaged the young plants of the late crop. Growers hope that the improved seeds and increased quantities of fertilizer used this season will mitigate overall damage, but the total crop may be about 1 million bales short of last year's estimated production of 7.6 million bales of jute and kenaf. Some decrease had been expected in any event, since there had been some shifting of land from jute to rice paddy cultivation because of last year's bearish jute market.

Fears of a smaller crop have caused a sharp increase in raw jute prices. Assam Bottoms now cost about 8.5 cents per pound, up from 6.3 in June. To curtail the price climb, the Government of India has set ceilings on raw jute purchases by mills and on stocks to be held by mills.

Anticipating a serious fiber shortage in the new season, the Indian Jute Mills Association has requested the government to allow imports of 500,000 bales of Pakistani raw jute and Thai kenaf with a view to sustaining the export market for jute goods; these are facing keen competition from synthetics.

However, the same adverse weather conditions that are damaging India's fiber crops have caused jute crop estimates in East Pakistan to be revised downward approximately 1 million bales to 6 million. Adding the 1.4 million bales carried over at the start of 1968-69 to the revised figure brings East Pakistan's total expected marketing supplies to 7.4 million bales or less for this year. This would barely cover the market, and would leave little if any carryover or backlog of supplies for the following year.

—Based on dispatch by JAMES H. BOULWARE
U.S. Agricultural Attaché, New Delhi

Drought Damages Agricultural Prospects in Chile

Chile's central and northern provinces are experiencing the worst drought of the century for the area—perhaps one of the worst ever. The northern half of the Central Valley is particularly hard hit. For example, rainfall from January 1 through July 8 near Valparaíso was only 14 percent of normal and near Santiago only 12 percent. Rainfall in the northern three-fourths of the Central Valley has ranged from 12 to 27 percent of normal. The Chilean Government has declared the Provinces of Coquimbo, Aconcagua, Valparaíso, Santiago, O'Higgins, and Colchagua emergency zones and is considering including the Provinces of Curicó, Talca, and Nuble, to the south.

So far, the agricultural enterprise hardest hit by drought has been livestock raising. Between 200,000 and 400,000 head of sheep have been lost in the affected provinces. However, these losses may not seriously shorten the national supply of lamb and mutton because the main sheep-raising areas are in southern Chile where the drought has had little harmful effect. The loss of cattle and calves is currently estimated at around 25,000 head; but cattle are reported in such a debilitated condition that deaths may increase rapidly if the drought does not break.

Crop production has already been affected by lack of rain and shortage of irrigation water—but the critical period is still ahead. If rains come late in the Chilean winter and spring, crops of wheat, corn, fruits, and vegetables could be grown and harvested. So far, the wheat crop has suffered the most. Plantings have been delayed, and much wheat already planted has had such poor germination that replanting may be necessary.

The Chilean Government has put the following emergency measures into effect: Forage for cattle and sheep is being shipped to drought areas at a reduced freight rate; rail charges for moving cattle to pastures in southern Chile have been reduced sharply; credits are being granted to farmers for purchases of animal feed and of seed for spring planting and for construction of wells and purchases of pumps; and the slaughter of cattle weighing less than 550 pounds has been authorized (it was prohibited before the drought).

Although agricultural losses caused by drought have been serious up to now, they are not yet critical to the national economy. But the situation becomes worse each week the drought continues. If rains do not come in time to save crops in the Central Valley, especially fruits and vegetables, Chile may have to cope with an agricultural and economic disaster.

—Based on dispatch by WALDO S. ROWAN
U.S. Agricultural Attaché, Santiago

Japanese - Thai Corn Agreement

Members of the Japanese Feed Trade Association have agreed to buy up to 896,000 metric tons of corn from Thailand producers if the Thai 1968-69 crop is good and a minimum of 584,000 tons if the crop is poor. The agreeing party for Thailand is the Board of Trade.

According to the agreement, the Thai corn will be shipped by the following tentative schedule: During September 1968, 30,000 tons; October, 60,000 tons; November, 110,000 tons; December, 110,000 tons; January through April 1969, 370,000 tons; and May and June 1969, 100,000 tons. The quantities for September and October are definitely fixed, but the allotments for November and December 1968 may be revised up or down by 10 percent at the discretion of the Board of Trade of Thailand. Allotments for January through June of 1969 can be altered up or down by 20 percent.

The price paid for Thai corn will be based on the price of U.S. No. 2 Yellow corn on the Chicago futures market and will be fixed 30 days before the beginning of each shipping period.

Thailand has stipulated that it reserves the right to name exporters. Such designation will prevent any one firm or group of firms from handling an unduly large share of the corn exports. The Board of Trade may also exclude firms who have previously sold corn into various export markets below the government's fixed prices.

—Based on dispatch by SAMUEL H. WORK
U.S. Agricultural Attaché, Bangkok

Agricultural Changes In the Ivory Coast

Like many other agricultural countries in tropical Africa, the Ivory Coast has depended on two chief exports—coffee and cocoa. Both commodities are affected periodically by oversupply and low prices. To stabilize its export earnings, the Ivory Coast is diversifying to other tropical products that have a growing demand.

The most ambitious scheme at present is the planting by 1970 of nearly 200,000 acres of oil palms. By 1966 almost 70,000 acres were planted. The new plantings are supervised by SODEPALM, a government agency, and considerable financial assistance has been provided by the European Common Market Development Fund (FED). The oil palms are being planted in relatively undeveloped areas of the country and are replacing some old coffee stands.

Rice production has been impressively increased in recent years. It rose from about 250,000 metric tons (paddy basis) in 1965 to 290,000 tons in 1967. The Ivory Coast has gotten valuable assistance from Taiwan, including the services of about 160 technicians. Rice is a staple of diet in the country, and in the past much had to be imported. The Ivory Coast hopes to be self-sufficient in rice by 1970.

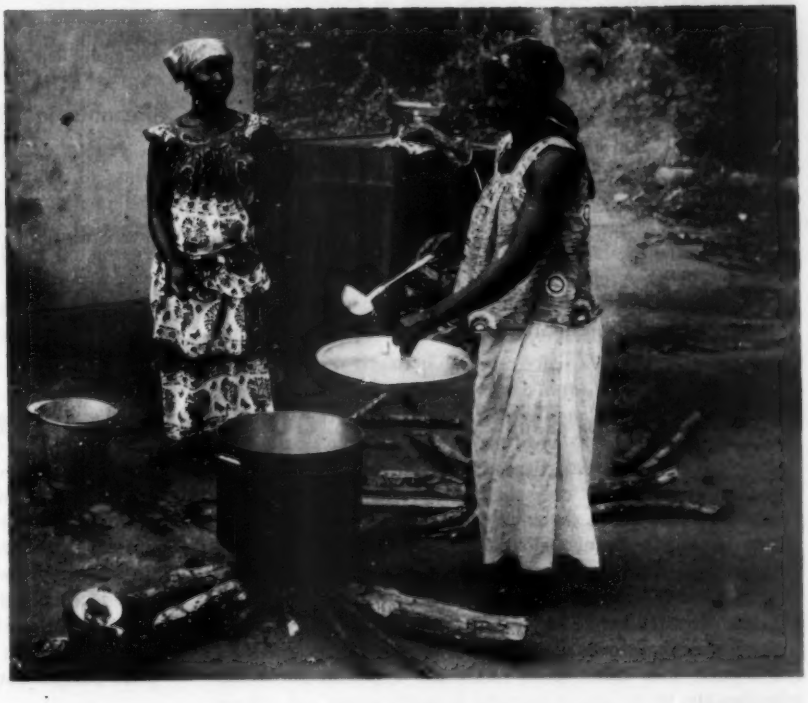
Rubber and cotton are becoming important exports. They were worth US$2.6 million and $1.36 million, respectively, in 1966. Coconut palms are being planted in the southern Ivory Coast to increase copra production, and plans are to complete 37,100 acres by 1970. Bananas, already a major export, should climb as new irrigated groves produce. Pineapple production and foreign sales of both fresh and processed fruit are increasing rapidly.

A new seaport, San Pedro, is being built for the export of tropical woods, especially African mahogany. Timber exports are now second in value only to coffee. But cuttings are heavy and there is little reforestation. The new port may open the sparsely peopled southwest for settlement and farming.

Late in 1968 a U.S. trade mission will visit the Ivory Coast. Members will explore the possibilities of sales of many agriculture-related items, such as agricultural chemicals and food processing and refrigeration equipment. Now, the Ivory Coast mainly sells to and buys from France.

Top left, part of a model rice irrigation system. New production practices have helped much to reduce the Ivory Coast's rice imports. Center, young oil palm with fruits from which oil is extracted. Bottom, men working at edge of irrigated grove of young banana trees.

Top left, cargo ship in Abidjan loading bananas going to France. Top right, agricultural student spraying vegetables in demonstration plot. FAO is aiding in horticultural education.



Right, cooks preparing rice to be served as part of a school lunch program. Bottom, mahogany logs awaiting loading in Abidjan port.

Senegal's Peanut Crop Is Smaller Than Expected

The revised estimate for Senegal's 1967-68 peanut crop shows commercial purchases of about 830,000-840,000 metric tons of raw peanuts—well above the 730,000 marketed last year, but down considerably from the 1.2 million metric tons that had earlier been projected. Late rains and lack of sun and wind, as well as unofficial sales over the Gambian border—estimated at 60,000-100,000 tons—caused the decrease.

Marketing of the 1967-68 harvest differed from that of previous years. This season was the first in which private traders were not permitted to deal in the crop. In the previous year, 36.4 percent of sales were handled by private companies. Farmer cooperatives purchased the peanuts this year. Where no cooperatives functioned, ONCAD (National Office of Cooperation and Assistance for Development) handled sales, and net profits from its operations went to setting up cooperatives in these areas.

Price guarantees end

France has in the past accorded Senegalese peanuts guaranteed prices, which were in most years above world prices. Under the Yaounde Convention gradual withdrawal of this support, to be completed on January 1, 1968, was planned. At the same time the convention set up a system to help boost Senegal's peanut industry to a position of self-reliance in the world market. During 1966-67 the French guaranteed price amounted to almost US$200 per metric ton and affected 197,000 tons on a refined oil base, down somewhat from the 215,000 supported in the previous year.

Now that the French program has ended, the price has dropped to $155, c.i.f. Europe, according to the Common Market Development Aid Office in Dakar. Senegalese farmers received an average of $76 per ton this year, a considerable cut from the $88 per ton in 1966-67. A subsidy of about $5 per ton had been projected for this season. But since the production estimate was recently reduced one-fifth, perhaps only 550,000 tons equivalent (not 700,000) will be shipped. This will raise the subsidy to $6 per ton.

Actually, since the main thrust of this Common Market peanut program is directed to production and diversification assistance, the subsidy factor is being steadily decreased. When the program began 3 years ago, $6.2 million went toward price support, $2.1 million to extension, $842,000 for fertilizer, and $200,000 for improved seeds. The backing provided by the program the following year increased, but price support was cut to $4.5 million and more funds were directed to improved production. The present third-year program plans only $939,000 for price support, with $9.2 million going to other forms of farm assistance.

Peanuts in 1967

Peanut oil production in 1966-67 totaled 176,000 metric tons, of which 122,000 was crude oil and 54,000 refined. All of the crude and 24,000 tons of the refined oil were exported, with the remainder being consumed domestically. Peanut oil meal production was 188,000 tons, all of which was exported. The Franc Zone countries received 121,000 tons of crude peanut oil, 23,900 of refined oil, and 163,000 of peanut oil meal.

German Grain Crops Good, But Imports Stay High

Despite last year's record production of grains and expectations of another good crop this year, German grain imports in 1967-68 may reach the high 1966-67 level of 6.7 million metric tons. Domestic breadgrains and feedgrains are being undersold by grains imported from other EEC countries. This is causing grain stockpiling, as well as an increase in imports. During July 1967-April 1968 more than 500,000 tons of wheat and over 100,000 of rye were taken into Federal stocks, and end-of-year totals are expected to be up considerably.

At the same time feedgrain exports are expected to decrease from 556,000 tons shipped in 1966-67 to 345,000 this year. Apparently, German exporters have been unable to make good use of EEC export subsidizing. However, recent developments may alleviate Germany's problem of growing stocks. In mid-June 50,000 tons of wheat from West German intervention stocks were shipped to Czechoslovakia, which is currently undergoing a period of drought. A plan is reportedly being considered to make available up to 150,000 tons of wheat for further sales to East European countries as demand is expected to continue.

Imports from the U.S.

In the July 1967-February 1968 period U.S. grain deliveries totaled 1.54 million tons—one-third of all grain imports and slightly more than during that period of 1966-67.

Wheat shipments from the United States stand at 348,000 tons for July-February, approximately last year's level for this period. However, this is entirely the result of increased total imports, because the U.S. percentage share has been decreasing. Some gain for the United States is expected during the remainder of the year, since several large transactions in Dark Northern Spring and Hard Red Winter wheats have been made recently. Imports of durum wheat have been reduced because of a stock buildup prior to the July 1, 1967, price harmonization.

Larger corn shipments

The bright spot in the German-U.S. trade scene so far has been the considerably increased imports of U.S. corn into Germany. For July-February 1967-68, arrivals from the United States amounted to 1.04 million tons, an increase of 20 percent over the same period of the previous year. In contrast to last year, France was not a major supplier of corn. As a result of the unfavorable corn-sorghum price relationship, imports of grain sorghum decreased to 136,000 tons compared with 199,000 for July-February in 1966-67. The U.S. share in the reduced grain sorghum imports decreased 20 percent.

Strong competition from other suppliers has reduced U.S. exports of rye, barley, and oats to West Germany. For rye, the Netherlands and Romania took increased shares of the market; for barley, France and Great Britain; for oats, the Netherlands and Sweden.

Months of trying, but

The EEC Still Has a Nonunified Dairy Market

By DAVID R. STROBEL, *Director*
Dairy and Poultry Division
Foreign Agricultural Service

In June, the European Economic Community announced its new basic milk and dairy regulations—to be effective after July 1, but actually not applied until after July 29. Ever since 1964, when the EEC's Common Agricultural Policy for Dairy went into effect, the EEC has been endeavoring to develop basic regulations that would establish a unified dairy market. The new regulations do not, however, accomplish this goal; in effect, they guarantee instead that national dairy markets will continue to exist for the foreseeable future.

The six EEC countries—West Germany, the Netherlands, Italy, France, Belgium, and Luxembourg—will have a common milk price of $4.67 per hundred pounds, delivered at plant. The unifying effect of this, however, is negated by the establishment of intervention prices—prices at which the governments will buy dairy products to maintain desired price levels that are not going to be applied in all six countries.

The common intervention price of 78.70 cents per pound for butter has been announced. This price will apply in the Netherlands and Italy; but France, Belgium, and Luxembourg will each intervene in its own butter market at a price of 79.95 cents, and Germany, at 75.98 cents.

A common intervention price for skim milk powder has also been announced at 18.71 cents per pound. This price will apply in West Germany, the Netherlands, and Italy; but France, Belgium, and Luxembourg will each maintain a 19.96-cents-per-pound intervention price for skim milk powder.

Instead of "common prices," therefore, the new regulation means different product prices among the six. Thus, one market with products moving freely between the individual country markets at uniform prices does not exist. To overcome the price differences, export subsidies and import duties will have to be applied to products moving between member states that maintain different product prices. In addition, different taxes—turnover taxes, value-added taxes, and the like—will exist among the member states; these also must be compensated for.

New policy will spur surpluses

In recent years, there has been surplus milk production in the EEC. For 1967, milk production was 3 percent over that of 1966. For January-June 1968, it ran 5 percent ahead of the same period for the previous year. The EEC now has a surplus inventory of over 500 million pounds of butter, and stocks of nonfat dry milk in France alone increased from 80 million pounds in March to 230 million pounds in July. The most recent EEC action will not reverse the upward trend in milk production nor reduce surplus inventories. As a matter of fact, it does just the reverse. It will perpetuate surplus milk production and result in surplus inventories of manufactured dairy products in the EEC for the foreseeable future.

To protect its internal market, the EEC has done an effective job of insulating itself from dairy product imports. The number of different dairy products (or products with dairy ingredients) on which import levies are applied—several hundred—made the establishment of separate individual levies most difficult. The dairy products, therefore, are divided into 12 different groups. A pilot product is selected within each group, for which a threshold price is determined. The import levy then applicable to all products of the group is the difference between the threshold price and the lowest c.i.f. offer price. To further complicate the matter, however, the levies for many products—particularly those containing other ingredients than milk—may vary from that applied to the pilot product, being determined under special rules. Details such as the definition of pilot products, the product groups, and customs nomenclature are set forth in an EEC regulation.

The EEC's dairy policy problem is becoming widely known. A recent issue of a newspaper published in Beirut, Lebanon, carried a story datelined The Hague and entitled "Europe Bogged Down in Butter." Saying that there is enough butter in Europe's refrigerated warehouses to make 600 million half-pound packs for "customers who never come," the article asks "What is going to be done with all that butter?" It speculates that if things go on as they are now, there will be the equivalent of 3 billion packs in store by 1972.

Efforts to move surpluses into export

The EEC has been desperately endeavoring to solve its surplus dairy situation by subsidizing its products on the export market at excessively high rates. Owing to an export subsidy level of 66.5-69.7 cents per pound, Dutch butter can be quoted delivered on the world market at 20.87-22.2 cents per pound, although the wholesale price in the Netherlands in 76.1 cents. With internal support prices for nonfat dry milk ranging from 18.71 cents per pound to 19.96 cents per pound, EEC nonfat dry milk is being sold delivered in the world market as low as 6.4-8.0 cents per pound.

A recent EEC Council regulation continues the export subsidy practice. Export subsidies may be granted for practically all dairy products as well as for the milk ingredient of processed commodities. They are to be fixed at least every 4 weeks, but more often if necessary; are to be uniform for the community; but may be differentiated by country or zone of destination, and may be fixed in advance.

The world commercial markets for the principal items in surplus, butter and nonfat dry milk, are limited. As a result of its export subsidy practices, the EEC has in recent months been the major factor in driving world dairy prices to record lows. The Community now apparently realizes that dumping its surpluses at such low prices into the world market will not remedy its surplus stock situation. In a recent announcement, it made known its plan to make several million pounds of butter available for donation to developing countries.

Reports are that for the year 1968-69 it will cost the EEC one billion dollars to carry out its present dairy policy. The question is how long the EEC can afford such a high cost—with surpluses that certainly can be expected to increase rather than decrease—before it feels obliged to make a realistic adjustment in its dairy policy.

Putting Action Into U.S. Holstein Export Programs

Speaking recently at the 83rd annual convention of the Holstein-Friesian Association of America, former Director F. Murray Wigsten reviewed the Association's foreign market development drive for U.S. Holsteins and set up some guidelines for the future.

Foreign markets in the years ahead could well become our most important outlet for U.S. Holsteins. In fact, I believe we could develop an export market to absorb 20 percent of our Registered Holstein sales each year. Supposing we could achieve this goal, there is only one way for prices of all cattle to go when demand is increased—up. No prediction is safe here as to the amount domestic prices would increase with 20 percent of sales outside the country; enough to say they would increase, and every member could benefit.

There is basis for my optimism about oversea sales. Inquiries are steadily coming in from many countries asking for information on our American Holstein cattle and how to acquire them. Farm management practices in many countries are improving to a point where the new owners can properly care for the animals with good results. Farm leaders and government agencies in many foreign countries have learned of the great food producing potential of our Holsteins and will more and more recommend their importation.

Universal acceptance of the Holstein cow did not happen overnight. Years of effort on the part of our association, foreign-market-minded breeders, our people in the Foreign Agricultural Service, and exporting agents have gone toward bringing this about.

It was done by advertising in foreign agricultural papers, by cooperation with USDA, by personal contact of our association leaders, and by classifiers and breeders who visited these countries and spread the word.

But more than any other way I believe this acceptance has come about through the Holstein cow herself. We have sent her—often in relatively small numbers—to varying and unusual climates to be cared for and fed under unusual conditions. She has made good in every country—Mexico, South America, Japan, Africa, Germany, Spain, Portugal, Italy, even the Virgin Islands.

What we now need most is follow-through to capitalize and further develop the sales possibilities before us. The association is not now in the position as an organization to take advantage of this great merchandising potential. Staff people are giving considerable time to developing exports, as are our capable export agents, classifiers, and the Foreign Agricultural Service at USDA. This is all good, but it is not enough to even scratch the surface.

Our next step should be to set about to bridge some gaps.

- We need someone in our organization, or closely associated with us, who can speak the language of potential customers.
- We need someone who can work with our own animal health people—State and Federal—and with health officials in other countries to bring about more unification and understanding of export health certificates.
- We need someone familiar with financial matters in the export fields, who understands about letters of credit and about government financing plans available to foreign buyers.
- We need someone who knows about transportation of a few animals by plane, plane loads by charter, and large groups by boat.
- We need someone to work with the Foreign Agricultural Service and at our foreign trade centers.

Briefly, we need an expediter through whom our export agents can work to meet and solve the many problems involved in the export sales field. My proposal is that the development of our export sales program be handled through a separate organization, perhaps a subsidiary of our national association. Let this new organization or company be as closely controlled by our directors and management as possible with its one purpose being to develop our export markets. With this small business organization we can put real action into an export program that now hangs in the balance.

AFMA Plans International Show for 1969

More than 5,000 feed businessmen from the United States and abroad are expected in Kansas City next spring for the 1969 AFMA International Feed Industries Show. Exhibitors will be exposing their products, equipment, and services to the largest number of manufacturers of animal feed ever under one roof.

The May 25-28 exposition is being sponsored by the American Feed Manufacturers Association, in conjunction with its 61st annual convention and the third National Feed Production School. Also supporting the event is the U.S. Feed Grains Council.

Foreign and local feedmen interested in participating or attending may write to Gerald A. Karstens, American Feed Manufacturers Association, 53 W. Jackson Blvd., Chicago, Ill. 60604.

Left to right, AFMA President W. E. Glennon; U.S. Feed Grains Councilman Clarence E. Palmby; and Show Manager Gerald Karstens discuss plans for the exhibit.

Swedish Smorgasbord Goes American

The traditional Swedish *smörgasbord* will take on a touch of Americana next month as the U.S. food trade and USDA combine forces with gourmet restaurateur and food opinion leader Tore Wretman to promote American foods among Scandinavian consumers and food dealers. Sites of the promotions will be Mr. Wretman's four Stockholm restaurants—famous throughout Europe—and the annual St. Erik's Fair September 4-16 in the same city.

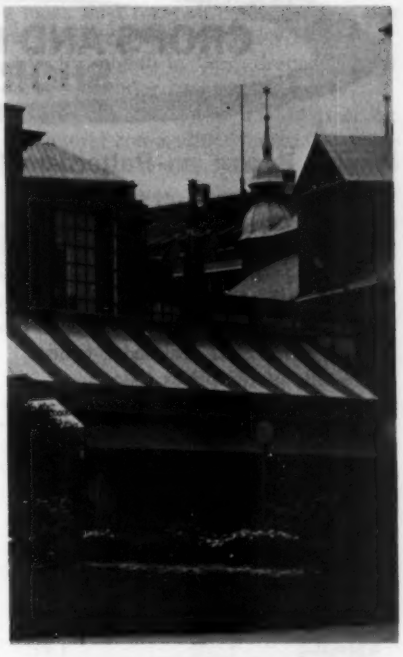
For the duration of the fair, Mr. Wretman's restaurants—*Operakällaren* (pictured), *Riche, Teatergrillen,* and *Stallmästaregarden*—will feature a special American menu of steaks and other beef dishes, poultry, vegetables, fruits, and a variety of items that will tie in with the U.S. exhibit at St. Erik's. Mr. Wretman himself, along with chef Verner Vogeli, will create the recipes for the menu, which will call attention to the American exhibit and will demonstrate some of the recipes at the fairgrounds.

Mr. Wretman's endorsement of food products is considered to be better than paid advertising, for he has the reputation of serving the finest foods in Sweden. Some 2,000 diners sit at his tables daily, and he counts the King of Sweden and Prince Bertil among his best customers at *Operakällaren,* the largest of the four. Thousands tune in to his weekly television program for advice on menu planning and meal preparation.

Meanwhile, at St. Erik's, Swedish agents for American food firms, U.S. manufacturers of products new to the Swedish market, and several FAS cooperators in market development will be showing, selling, and offering samples of American foods ranging from entrees like steak and poultry through side dishes like vegetables and salads right down to desserts, beverages, and snacks. The entire promotion will take place under the slogan "For Better Food," stressing the tastiness, high quality, and dependable supply of American farm products.

With its high standard of living, largely urban population, and growing consumer income, Sweden is a made-to-order target for American food tradesmen with an eye on oversea sales. The continued rise in population, combined with a planned restriction of domestic agricultural production, cannot help but bring about an increase in food imports.

Many U.S. foods are already popular in Sweden. So far this year, sales of beef and veal, variety meats, poultry products, citrus juices, and some fresh vegetables are substantially above year-ago levels. Surveys indicate potential for rice, snack items, salad dressings, prepared mixes, dietetic foods, potato products, and seafood. U.S. fruit cocktail is popular and has little competition.



U.S. Potatoes Make a Hit in Uruguayan Marketplaces

The first U.S. potatoes ever sold to Uruguay through Public Law 480 (in a credit transaction under an agreement signed May 7) were snapped up by shoppers with obvious approval. In shipments totaling some 8,000 metric tons that arrived between the end of May and the end of July, all the potatoes were in fine shape, despite an out-of-season shipping date and a very long sea voyage through tropical waters, in unfavorable temperature and humidity conditions. U.S. exporters were jubilant at this proof that they could deliver high quality under unusually difficult circumstances.

Here is how it was done. First, the Uruguayans were encouraged to buy U.S. No. 1 grade, with the grade certified by the U.S. inspection service at shipping point. At shipside, the same service made a "condition" inspection, to insure that all the potatoes were still sound and good. Then, with special attention to conditions on the ship throughout the voyage, they stayed that way.

The P.L. 480 agreement points up Uruguay's difficult food situation. After 2 years of drought, Uruguay, normally close to self-sufficiency in food production, has had to increase several of its supplemental food imports. Even in ordinary times, its production of potatoes is hampered by low yields and a semitropical climate, so that it is usually in the market for 15,000 to 20,000 tons a year, chiefly from Canada and Western Europe. This year, with the signing of the P.L. 480 agreement for 50,000 tons of potatoes and potato products (valued at $3.5 million, including ocean transportation), the United States had its first opportunity to enter the Uruguayan market. This was a credit sale with payment in U.S. dollars.

Now that Uruguayan consumers have seen and liked the fresh U.S. potato, U.S. exporters want to introduce them to the dehydrated form also, explaining its institutional uses, as in restaurants, hospitals, and schools. If this could be done, U.S. potatoes might find a continuing commercial dollar market in Uruguay.

Words of high praise were heard in the markets of Montevideo for the U.S. potatoes shipped to Uruguay this spring and summer under a P.L. 480 agreement.

CROPS AND MARKETS SHORTS

Weekly Report on Rotterdam Grain Prices

Rotterdam offer prices for U.S. hard wheats declined between July 30 and August 6, 1968. Both U.S. Spring and Dark Northern prices were down 2 cents, while Canadian Manitoba, U.S. Spring, and Argentine remained unchanged. An offer price for USSR 121 was not quoted.

U.S. and South African white corn prices declined 3 cents and Argentine corn declined 2 cents.

A listing of the prices follows.

Item	August 6	July 30	A year ago
	Dol.	*Dol.*	*Dol.*
Wheat:	*per bu.*	*per bu.*	*per bu.*
Canadian No. 2 Manitoba	2.01	2.01	2.16
USSR 121	(1)	(1)	(1)
U.S. No. 2 Dark Northern Spring, 14 percent	1.89	1.91	2.08
U.S. No. 2 Hard Winter, 14 percent	1.91	1.93	1.96
Argentine	1.88	1.88	(1)
U.S. No. 2 Soft Red Winter	1.76	1.76	1.77
Corn:			
U.S. No. 3 Yellow	1.22	1.25	1.47
Argentine Plate	1.42	1.44	1.60
South African White	1.42	1.45	(1)

[1] Not quoted.

Note: All quotes c.i.f. Rotterdam for 30- to 60-day delivery.

Flour Mill Opens in Jamaica

Jamaica's first wheat flour mill, Jamaica Flour Mills, Ltd., began operations on June 28, 1968, with expectations of operating at normal capacity within a month. By now the animal feed plant, also part of the project, is scheduled to have begun limited operations.

The mill currently uses both U.S. and Canadian wheat. Its goal is to meet all of the country's baking flour needs. Imports of baking flour amounted to nearly 103 million pounds in 1966; in the same year an equal amount of "counter" flour, flour sold retail in small amounts to individual consumers, was imported. U.S. exports to Jamaica totaled 50.3 million pounds in 1966 and 40.4 million in 1967.

Austria's Hog Cycle in Upward Phase

Austria's official June 3, 1968, hog census shows expectation of relatively high levels of farrowings this fall, with numbers of bred sows about 11 percent above last year's and 18 percent above the figure reported on June 3, 1966. Translated into pork supplies, this presages a comparative overabundance of pork in the spring of 1969, which in turn may force the government to go through the costly exercise of diverting excess pork supplies temporarily to cold storage facilities.

One estimate indicates that a little over 8,000 tons, carcass-weight equivalent (about 100,000 hogs), would be stored. This amount would be sufficient to keep Austria's urban population supplied for approximately 2 weeks and represents several times the quantity that is normally kept in deep-freeze warehouses.

Although this is a relatively small surplus quantity, the more important question seems to be whether hog raisers will further increase the number of sows bred, thus causing larger surpluses for the second half of 1969.

June U.S. Meat Imports Subject to Quota Up

U.S. meat imports subject to quota restrictions in June 1968 totaled 105.0 million pounds. This level was 51 percent greater than for the same period a year earlier, when imports totaled 69.6 million pounds. Imports for the first 6 months of 1968 totaled 456.9 million pounds compared to 377.6 million for the first half of 1967—a 21-percent increase over those of a year earlier.

U.S. IMPORTS OF MEAT SUBJECT TO MEAT IMPORT LAW (P.L. 88-482)

Imports	June	Jan.-June
	Million	*Million*
1968:	*pounds*	*pounds*
Subject to Meat Import Law [1]	105.0	456.9
Total beef and veal [2]	105.6	499.8
Total red meat [3]	147.7	724.2
1967:		
Subject to Meat Import Law [1]	69.6	377.6
Total beef and veal [2]	76.0	409.7
Total red meat [3]	110.4	610.0
1966:		
Subject to Meat Import Law [1]	100.2	376.7
Total beef and veal [2]	102.2	391.8
Total red meat [3]	140.4	602.4

[1] Fresh, chilled and frozen beef, veal, mutton and goat meat. [2] All forms, including canned and preserved. [3] Total beef, veal, pork, lamb, mutton and goat.

Brazil Reduces Menthol Price

The Brazilian Government has established a new minimum export price for crystallized menthol of U.S. $3.25 per pound (FOB), effective July 15, 1968. The new price compares with the old minimum price of U.S. $3.60 per pound effective since March 13, 1968. Prices for peppermint oil remained unchanged at U.S. $1.04 per pound. Brazil is a major world supplier of both crystallized menthol and peppermint oil.

Ivory Coast Banana Output Increases

The Ivory Coast produced an estimated 198,000 short tons of bananas on 27,000 acres in 1967, 1,000 above the tonnage produced a year earlier and 43,000 above the 1963 output.

IVORY COAST'S BANANA PRODUCTION AND EXPORTS

Year	Production	Exports
	Short tons	*Short tons*
1963	154,900	147,053
1964	126,200	129,638
1965	144,400	141,437
1966	197,300	145,186
1967	198,400	157,158

Exports, totaling 157,000 tons valued at US$12.4 million, were up 12,000 tons from the 1966 level. Over 85 percent of the exports moved to France and Italy.

London's Canned Fruit and Juice Prices

Selling prices in London (c.i.f. unless otherwise noted) of selected canned fruits are given in the following table.

Type and quality	Size of can	Price per dozen units			Origin
		July 1967	April 1968	July 1968	
CANNED FRUIT		*U.S. dol.*	*U.S. dol.*	*U.S. dol.*	
Apricots, halves:					
Fancy	2½	[1] 3.22	—	2.82	S. Africa
Do	1	[1] 1.96	—	1.79	S. Africa
Choice	2½	[1] 3.36	—	2.94	Australia
Do	2½	[1] 3.01	—	2.70	S. Africa
Do	15 oz.	[1] 1.86	—	1.68	S. Africa
Not specified	15 oz.	[1] 1.40	—	1.44	Spain
Fruit cocktail:					
Choice	2½	[1] 3.92	—	3.72	Australia
Fruit salad:					
Choice	15 oz.	[1] 2.17	—	1.74	Spain
Peaches, cling halves:					
Fancy	2½	[1] 3.22	—	2.82	S. Africa
Do	2½	[1] 3.40	—	3.03	Australia
Do	1	[1] 2.01	—	1.76	S. Africa
Do	1	[1] 2.10	—	1.89	Australia
Choice	2½	[1] 3.08	—	2.70	S. Africa
Do	2½	[1] 3.26	—	2.91	Australia
Do	1	[1] 1.94	—	1.70	S. Africa
Do	1	[1] 2.03	—	1.83	Australia
Pears:					
Fancy	2½	[1] 3.43	—	2.97	S. Africa
Do	2½	[1] 3.64	—	3.12	Australia
Do	1	[1] 2.39	—	2.04	Australia
Choice	2½	[1] 3.29	—	2.85	S. Africa
Do	2½	[1] 3.36	—	3.00	Australia
Do	1	[1] 2.28	—	1.98	Australia
Not specified	15 oz.	—	—	1.64	Italy
Pineapple:					
Slices:					
Fancy	2½	[1] 3.69	3.77	3.73	U.S.
Do	2	[1] 2.80	2.79	2.79	U.S.
Choice	2½	[1] 3.13	3.10	3.17	U.S.
Do	2	[1] 2.23	2.26	2.13	U.S.
Do	16 oz.	—	—	1.50	S. Africa
Grapefruit sections:					
No. 2	20 oz.	[1] 2.45	—	2.10	Israel
Not specified	20 oz.	[1] 2.80	2.19	2.19	Br. W. Indies
Do	15oz.	[1] 2.17	—	1.83	Br. W. Indies
CANNED JUICE					
Grapefruit, unsweetened	19 oz.	1.50	1.20	1.23	Israel
Do	2	—	—	1.26	Br. W. Indies
Do	43 oz.	3.29	2.73	2.76	Israel
Orange, unsweetened	43 oz.	3.43	2.88	2.88	Israel
Do	19 oz.	1.54	1.26	1.26	Israel
Do	2	—	—	1.32	Br. W. Indies
Do	46 oz.	—	—	2.88	Br. W. Indies

[1] Landed duty-paid.

1967 Soviet Agricultural Exports Gain

Exports of 10 of the 12 major agricultural commodities in the Soviet Union increased in 1967. The only substantial decrease was in wool exports. Wheat exports nearly doubled, sunflowerseed exports more than doubled, and sunflower oil exports increased by more than one-half. Major gains also were made in exports of barley and of fresh-frozen meats. Feed peas, which had ranked eighth in 1966, dropped out of the list, as only moderate quantities were traded.

The table following gives 1966 and 1967 quantities of the 12 most important agricultural commodities, ranked by ruble value. Cotton textiles would rank seventh in value if included in the list with other agricultural commodities.

USSR: EXPORTS OF MAJOR AGRICULTURAL COMMODITIES

Commodity	1966	1967
	1,000 metric tons	*1000 metric tons*
Wheat	2,805.3	5,284.0
Cotton	507.8	534.4
Sunflower oil	427.7	669.9
Meat, fresh-frozen	96.7	157.8
Sugar, refined	992.8	1,032.3
Butter	54.1	63.4
Sunflowerseed	142.1	304.5
Wool	27.8	20.1
Flour	305.6	376.8
Oilseed cake and meals	390.5	387.9
Barley	290.4	452.4
	Mil. meters	*Mil. meters*
Cotton textiles	208.5	276.1

Japan's Soybean Imports Increase

Japan imported 1,197,992 metric tons (44.0 mil. bu.) of soybeans during January-June 1968, 12 percent more than in the same period last year. Imports from the United States reached 1,023,280 tons (37.6 mil. bu.), up 17 percent from last year's comparable imports. Imports from other countries, largely Mainland China, were down 9 percent from those of a year ago.

Only 53 tons of soybean meal, all from the United States, were imported through June. Comparable 1967 imports were 2,110 tons.

Imports of safflowerseed, virtually all from the United States, totaled 36,895 tons, down 50 percent from 1967.

JAPAN'S IMPORTS OF SOYBEANS, SOYBEAN MEAL, AND SAFFLOWERSEED

Commodity	1966	1967	Jan.-June 1967	Jan.-June 1968
	1,000 metric tons	*1,000 metric tons*	*1000 metric tons*	*1,000 metric tons*
Soybeans:				
United States	1,722.1	1,770.5	878.2	1,023.3
Total	2,168.5	2,169.8	1,070.8	1,198.0
Soybean cake and meal:				
United States	7.0	2.3	2.1	.1
Total	7.4	2.3	2.1	.1
Safflowerseed:				
United States	108.6	112.6	59.9	36.7
Total	147.6	126.8	72.3	36.9

Japanese Customs Bureau, Ministry of Finance.

Large Peanut Crop Expected in India

Peanut production in India in 1967 has been estimated by the Ministry of Food and Agriculture at 5.8 million metric tons compared with a partially revised estimate of 4.4 million tons for 1966. The 32-percent production increase in 1967 was due mainly to good weather during the growing period.

U.S. DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250

OFFICIAL BUSINESS

POSTAGE AND FEE PAID
U.S. DEPARTMENT OF AGRICULTURE

To change your address or stop mailing, tear off this sheet and send to Foreign Agricultural Service, U.S. Dept. of Agriculture, Rm. 5918, Washington, D.C. 20250.

The peanut area in 1967-68 was expanded only 3.9 percent—to 18.7 million acres compared with 18.0 million in the previous year. The increase in acreage was attributed to favorable weather conditions at sowing time and also to the high prices prevailing during 1966-67.

Since this official estimate is believed to represent 90.5 percent of the 1967-68 peanut production and does not take into account the summer crop harvested in southern India, peanut production when finally revised may total 6.3 million to 6.4 million tons, as now estimated by the trade.

Third Indian Soybean Oil Price Cut

On July 10 the State Trading Corporation of India (STC) lowered the price of U.S. soybean oil imported under Public Law 480 for the third time in recent months. The price of $311 per metric ton, effective since the end of May and applicable to all of India, was generally reduced on a zonal basis according to transportation costs from the various ports to the vanaspati (vegetable ghee) factories. Prices determined by the STC for the four principal areas and effective for a 10-day period ending July 20 were as follows:

Area	*Dollars per metric ton*
South Zone, Madras	269
North Zone, Kandla	283
West Zone, Bombay	293
East Zone, Calcutta	327

By lowering soybean oil prices, the STC hoped to induce the manufacturers of vanaspati to buy more soybean oil for use in their products, thereby reducing the high stocks of soybean oil held by the STC.

After July 20, a special authorization will be required for the release of soybean oil held by the STC.

Turkish Cotton Production Increases

The 1967-68 cotton crop in Turkey is estimated at 1.8 million bales (480 lb. net), a record crop and an increase of 50,000 from a year earlier. Aggregate acreage harvested is placed at around 1,765,000 acres, compared with around 1,760,000 in 1966-67.

The 1968-69 cotton crop has been planted, and early reports indicate that, although germination was delayed because of drought, the crop is progressing favorably. Acreage is reported to be slightly below that planted in 1967-68, but an increase in production is likely because higher yields are expected.

Most of the production increase in the 1967-68 season was in the Aegean region. The increase is attributed primarily to higher yields, which resulted from favorable growing conditions and increased irrigation. Cotton acreage in the Aegean region is reported to be slightly reduced in the 1968-69 season because farmers are shifting land from cotton to high-yielding wheat varieties.

Turkey's cotton exports in the 1967-68 season are forecast at 1,100,000 bales, compared with 1,049,000 a year earlier. During the first 8 months (August-March) of the 1967-68 crop year, exports totaled 883,000 bales, compared with 803,000 shipped during the same months a year earlier. Exports to major destinations during this period, with figures in parentheses for the same time period in 1966-67, were: West Germany 149,000 bales (109,000); the United Kingdom 140,000 (129,000); Switzerland 113,000 (92,000); Japan 112,000 (46,000); Italy 86,000 (109,000); Belgium 59,000 (98,000); Lebanon 54,000 (45,000); and France 51,000 (53,000).

Domestic consumption of cotton during the 1967-68 year is estimated at 700,000 bales, compared with 665,000 consumer a year earlier.

Crops and Markets Index

Cotton
16 Turkish Cotton Production Increases

Fats, Oilseeds, and Oils
15 Japan's Soybean Imports Increase
15 Large Peanut Crop Expected in India
16 Third Indian Soybean Oil Price Cut

Grains, Feeds, Pulses, and Seeds
14 Weekly Report on Rotterdam Grain Prices
14 Flour Mill Opens in Jamaica

Fruits, Vegetables, and Nuts
14 Ivory Coast Banana Output Increases
15 London's Canned Fruit and Juice Prices

Livestock and Meat Products
14 Austria's Hog Cycle in Upward Phase
14 June U.S. Meat Imports Subject to Quota Up

Sugar, Fibers, and Tropical Products
14 Brazil Reduces Menthol Price

Miscellaneous
15 1967 Soviet Agricultural Exports Gain

☆ U.S. GOVERNMENT PRINTING OFFICE : 1968 311-798 (6)